

**PROTOCOL OF UNDERSTANDING BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF CHILE AND THE GOVERNMENT OF CANADA  
CONCERNING THE MUTUAL RECOGNITION OF THEIR BEEF GRADING SYSTEMS**

**THE GOVERNMENT OF THE REPUBLIC OF CHILE (CHILE) AND THE  
GOVERNMENT OF CANADA (CANADA), (the "Participants"),**

**CONSIDERING** the *Free Trade Agreement between the Government of the Republic of Chile and the Government of Canada*, done at Santiago on 5 December 1996;

**CONSIDERING** the *Agreement on Technical Barriers to Trade* included in Annex IA to the *Marrakesh Agreement Establishing the World Trade Organization*, done at Marrakesh on 18 April 1994;

**CONSIDERING** that Canada's beef grading system complies with the standards and objectives of Chile's beef grading system;

**CONSIDERING** that Chile's beef grading system (Chilean Meat Law N° 19.162) complies with the standards and objectives of Canada's beef grading system;

**NOTING** that the Canadian Food Inspection Agency (CFIA) is responsible for the sanitary inspection of meat in Canada, as well as for the ongoing accreditation and monitoring of the Canadian Beef Grading Agency (CBGA), which ensures correct application of the Livestock and Poultry Carcass Grading Regulations;

**BEARING IN MIND** that CBGA is the Agency responsible in Canada for assigning grades (grading) to beef carcasses, and that, as a result, only authorized graders may grade beef in Canada (graders must successfully complete a comprehensive training program approved by CBGA, and, once certified, they are regularly audited by CBGA through the CFIA National Grade Monitoring Program); and

**FURTHER NOTING**, finally, that the Chilean Agriculture and Livestock Service (SAG) is responsible in Chile for assigning grades (grading) to beef carcasses,

**HAVE COME** to the following understanding:

## 1. DEFINITIONS

For the purposes of this Protocol of Understanding:

- (a) "Livestock and Poultry Carcass Grading Regulations" means the Canadian regulations that set out Canadian official standards for the grading of livestock and poultry carcasses;
- (b) "Chilean Standard 1306-2002" means Chilean regulations that set out Chilean official standards for the grading of bovine carcasses;
- (c) "Chilean Standard 1596-1999" means the Chilean regulations that define basic beef cuts for commercial use in the country;
- (d) "Canadian beef grading system" means the system that complies with Canada's Livestock and Poultry Carcass Grading Regulations; (The Participants understand that bovine carcass grading is based on sex, maturity, meat colour, fat colour, carcass muscling, fat cover and texture, meat texture and marbling level);
- (e) "Chilean beef grading system" means the system that complies with Chilean Standard 1306-2002. The Participants understand that bovine carcass grading is based on age as determined by teething, sex, fat cover, contusions, hot carcass weight (calves).

## 2. MUTUAL RECOGNITION

- (a) Chile recognizes that the Canadian beef grading system complies with and meets the standards and requirements of the Chilean beef grading system and the Chilean Standard 1306-2002. Chile also recognizes the CBGA as the agency responsible for certifying the grading of beef carcasses by applying the Canadian beef grading system, certifying the nomenclature of beef cuts.
- (b) Canada recognizes that the Chilean beef grading system complies with and meets the standards and requirements of the Canadian beef grading system. Canada recognizes the competency of the Certification Companies registered in the Registry of Certifying Entities reporting to the SAG for the purposes of grading Chilean meat destined for the Canadian market.
- (c) Chile and Canada mutually recognize their respective beef grading systems for the purposes of:
  - (i) the marketing in Chile of Canadian beef graded by CBGA in accordance with Canadian laws; and
  - (ii) the marketing in Canada of Chilean beef graded by the Certifying Entities in accordance with Chilean laws.

**3. NOMENCLATURE FOR THE GRADING OF BEEF CARCASSES AND CUTS <sup>1</sup>**

- (a) The Participants understand that:
- (i) Annex 1 to this Protocol of Understanding consists of a table comparing the grading nomenclature under Chilean Standard 1306-2002 and the Canadian Beef Quality Grades;
  - (ii) Annex 2 to this Protocol of Understanding consists of a table comparing the nomenclature of beef cuts under Chilean Standard 1596-1999 and Canada's beef cut nomenclature. This table should be used as a reference.
- (b) The Participants will notify each other in writing of any change in the nomenclature used for grading or for beef cuts in Chile or Canada, and will update Annex 1 or Annex 2 accordingly.

For entry into Chile, Canadian beef should be labelled consistent with Chilean regulations and the required label for Canadian beef cuts can be applied on the plastic package.

**4. COMPETENT AUTHORITIES**

- (a) Chile recognizes that CFIA is the competent authority in charge of the health and sanitary inspection of meat for export to Chile, and the accuracy of the commercial descriptions for beef, and accreditation and monitoring of the operations of the CBGA, in keeping with the requirements of Chilean national law.
- (b) Canada recognizes that SAG is the competent authority for the application of the Chilean meat law (N° 19.162). SAG is the Authority in charge of the health and sanitary inspection of meat for export to Canada, and the accuracy of the commercial descriptions for beef, and accreditation and monitoring of the operations of the Certifying Entities, in keeping with the requirements of Canadian national law.

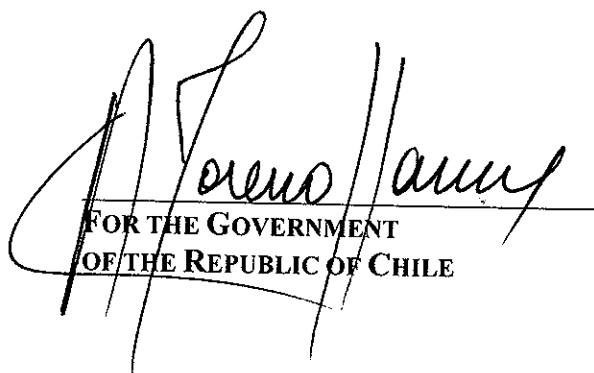
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<sup>1</sup> The comparative chart with the Chilean standards relating to beef and the Canadian grades will serve as a reference for consumers in Chile and is intended to describe the names of the Canadian grades in terms that are easy to understand and that are familiar to Chileans. However, this comparison is not intended to establish equivalency between the two reciprocal grading systems.

5. **ENTRY INTO EFFECT AND TERMINATION**

- (a) This Protocol of Understanding will take effect 45 days after its signature.
- (b) A Participant may terminate this Protocol of Understanding by giving a 180 days written notice to the other Participant through diplomatic channels.
- (c) The Participants may amend this Protocol of Understanding upon their mutual consent in writing.

**SIGNED** in duplicate at Ottawa, this 30<sup>th</sup> day of May 2013, in the English, French and Spanish languages, each version being equally valid.

  
FOR THE GOVERNMENT  
OF THE REPUBLIC OF CHILE

  
FOR THE GOVERNMENT  
OF CANADA

ANNEX 1

**Table Comparing Beef Carcass Grading Nomenclature in Chile and Canada**

Chilean Standard 1306-2002	Canadian Beef Quality Grades
<p><b>V:</b></p> <ul style="list-style-type: none"> <li>▪ Steers, heifers and young cows, maximum 4 permanent teeth (10 to 34 months); fat cover 1, 2 and 3</li> <li>▪ Young bull and bull, maximum 2 permanent teeth (10 to 24 months); fat cover 1, 2 and 3</li> </ul>	<p><b>Canada Prime, Canada AAA, Canada AA Canada A:</b></p> <ul style="list-style-type: none"> <li>▪ Young beef (steers and heifers) less than 36 months. Trace and above marbling</li> </ul>
<p><b>C:</b></p> <ul style="list-style-type: none"> <li>▪ Steers and young heifers, maximum 6 permanent teeth (35 to 42 months); fat cover 1, 2 and 3</li> </ul>	<p><b>Canada D1, Canada D2:</b></p> <ul style="list-style-type: none"> <li>▪ Steers and heifers with 6 permanent teeth (42-48 months)</li> </ul>
<p><b>U:</b></p> <ul style="list-style-type: none"> <li>▪ Adult and old cows, after 8 permanent teeth (over 43 months); fat cover 1, 2 and 3</li> <li>▪ Bulls and bullocks with 4 or more permanent teeth (over 24 months); fat cover 1, 2 and 3</li> <li>▪ Oxen with 8 permanent teeth (over 43 months); fat cover 1, 2 and 3</li> </ul>	<p><b>Canada D1, Canada D2, Canada D3, Canada D4:</b></p> <ul style="list-style-type: none"> <li>▪ Mature cows over 48 months</li> </ul>
<p><b>N:</b></p> <ul style="list-style-type: none"> <li>▪ All classes but calves; no teeth requirements; fat cover 0; fat cover 1, 2, and 3 penalized for contusions</li> <li>▪ Third degree bruised carcasses of any class</li> </ul>	<ul style="list-style-type: none"> <li>▪ Canada has a separate classification and grade system for bulls/stags (young bulls under 36 months of age) from Canada E to Canada Prime. Mature bulls are not eligible for Canada quality grades.</li> </ul>
<p><b>O:</b></p> <ul style="list-style-type: none"> <li>▪ Male and female calves with milk teeth (up to 9 months); no fat cover requirements</li> </ul>	<p><b>Canada A1, A2, A3, A4, Canada B1, B2 B3, B4 and Canada C1, C2:</b></p> <ul style="list-style-type: none"> <li>▪ Grades A, B and C are based on muscling requirements and fat deposits on the kidneys and carcass. Grades 1, 2, 3 and 4 are based on the colour reading of the lean muscle.</li> </ul>

## ANNEX 2

Chile-Canada Comparative Beef Cut Nomenclature Table

CHILE (Chilean standard 1596-1999)		CANADA	
<b>Cuarto Delantero</b>		<b>Forequarter</b>	
<i>Cortes sin Hueso</i>		<i>Boneless Cuts</i>	
1	Malaya	1	Subcutaneous muscle
2	Plateada	2	Short Plate
3	Sobrecostilla	3	Chuck
4	Tapapecho	4	Brisket
5	Cogote	5	Neck
6	Huachalomo	6	Chuck Roll
7	Choclillo	7	Chuck Tender
8	Punta de paleta	8	Shoulder Clod
9	Asado del carnicero	9	Top Blade
10	Posta de paleta	10	Shoulder clod
11	Lagarto	11	Shank meat
12	Lomo vetado	12	Rib Eye Roll
13	<del>Entrafia</del> <i>Entrafia</i>	13	Skirt (diaphragm)
<i>Cortes con Hueso</i>		<i>Cuts with Bone</i>	
1	Asado de tira	1	Short ribs
2	Costillas arqueadas	2	Back ribs
3	Aletillas	3	Sternum ribs
4	Osobuco de mano	4	Foreshank
<b>Cuarto Trasero (pierna)</b>		<b>Hindquarter</b>	
<i>Cortes sin Hueso</i>		<i>Boneless Cuts</i>	
1	Lomo liso	1	Striploin
2	Filete	2	Tenderloin
3	Punta de ganso	3	Outside round/Outside round flat
4	Ganso	4	Outside Round Gooseneck
5	Pollo ganso	5	Eye of Round
6	Posta negra	6	Beef Round, Inside Round
7	Posta rosada	7	Sirloin Tip
8	Asiento	8	Top Sirloin
9	Punta de picana	9	Bottom Sirloin Tri-tip
10	Tapabarriga	10	Flank
11	Palanca	11	Flank steak
12	Pollo barriga	12	Hanging Tender
13	Abastero	13	Outside Round Heel
<i>Cortes con Hueso</i>		<i>Cuts with Bone</i>	
1	Coluda	1	Ribs steak
2	Osobuco de pierna	2	Shank
3	Cola	3	Tail

*afirma.*  
29.07.2013